

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1489.
FILED, SEPTEMBER 22nd. 1966.

GENEX MINES LIMITED

Full corporate name of Company

Incorporated under The Companies Act (Ontario) by Letters Patent dated Mar. 10, 1949
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1430.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	<p>Change in control and in the Board of Directors of the Company; Subject to the acceptance of this Filing Statement by the Toronto Stock Exchange and the approval of the shareholders, the Company proposes -</p> <p>(a) to apply for Supplementary Letters Patent:</p> <p>(i) to change the name of the Company to Harrington Mining Company Limited;</p> <p>(ii) to cancel on a pro rata basis 4,047,601 shares of the 5,062,001 issued shares; and</p> <p>(iii) to increase the authorized capital to 3,000,000 shares by creating an additional 1,049,601 shares to rank on a parity with the 1,012,400 shares presently issued and the 937,999 shares presently unissued.</p> <p>(b) to enter into an underwriting and option agreement covering treasury shares as set out in item 6. hereof;</p> <p>(c) to issue new treasury shares at \$1.25 per share in settlement of accounts totalling \$224,777.41</p> <p>(d) to increase the Board of Directors from five to seven;</p> <p>(e) to transfer to Bidcop Mines Limited the Company's property in Hess Township in the Province of Ontario in consideration for the forgiveness by Bidcop Mines Limited of the Company's indebtedness to it in the amount of \$73,500;</p> <p>(f) to acquire title to the Mill on the Company's property at Godfrey Township, by purchasing same from Mill Processors Limited.</p>	
2. Head office address and any other office address.	<p>Head Office - Suite 906, 357 Bay Street, Toronto 1, Ontario Administrative Office - 11th Floor, 365 Bay Street, Toronto 1. Mine Office - P.O. Box 877, Timmins, Ontario</p>	
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p><u>PREVIOUS BOARD</u></p> <p>President & Director Vice-Pres. & Director</p> <p>Secretary-Treasurer</p> <p>Asst. Sec. Treasurer</p> <p>Director</p> <p>Director</p> <p>Director</p>	<p>W. J. Lawson, Maple, Ontario, Broker E. D. Hinch, 2 Milepost Place, Toronto 17, Ontario. Office Manager W.M. Macintosh, 5 Campbell Cres., Willowdale, Ontario. Solicitor S. H. Warren, 375 Brunswick Ave. Toronto, Ontario. Accountant. A. H. Blackburn, 23 Latham Ave. Scarborough, Ontario. Retired. Irvine Harrington, 117 East 38th St. Holland Michigan, U.S.A. Mining Executive. A. B. Whitelaw, 11 Yorkleigh Ave. Weston, Ontario. Solicitor.</p>
	<p><u>PRESENT BOARD</u></p> <p>President & Director</p> <p>Vice-Pres. & Director</p> <p>Vice-Pres. & Director</p> <p>Secretary</p> <p>Treasurer</p> <p>Director</p> <p>Director</p>	<p>Irvine Harrington, 117 East 38th St. Holland, Michigan, U.S.A. Mining Executive. E.D. Hinch, 2 Milepost Place, Toronto 17, Ontario, Office Manager. A.T. Griffis, 66 Broadway Ave. Apt. 2012, Toronto 12, Ontario. Mining Engineer. A. B. Whitelaw, 11 Yorkleigh Ave. Weston, Ontario. Solicitor. T. Henerofsky, Suite 602, 177 St. George Street, Toronto 5. Chartered Accountant. J. Bates, 113 Broadlands Blvd. Don Mills, Ontario. Mining Engineer. B.E.W. Gransden, 97 Walmsley Blvd. Toronto 7, Ontario. Chartered Accountant</p>
	<p>It is proposed to increase the the Board of Directors from five to seven following the special meeting of shareholders.</p>	
4. Share capitalization showing authorized and issued and outstanding capital.	<p>Present Capital: Authorized: 6,000,000 shares with a par value of \$1.00 each. Issued and Outstanding: 5,062,001 shares, as fully paid and non-assessable.</p> <p>Proposed Capital after re-organization is completed - Authorized: 3,000,000 shares with a par value of \$1.00 each. Issued and Outstanding: 1,012,400 shares as fully paid and non-assessable.</p>	

5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Following the purchase of the Mill referred to in item 11. hereof the Company intends to negotiate a Chattel Mortgage on the Mill and all its equipment in the minimum amount of \$75,000 from a commercial Finance company.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>(a) The Company proposes to enter into an Underwriting and Option Agreement with W. D. Latimer Co. Limited, 199 Bay Street, Toronto, acting on behalf of Harrington Investments Limited, 11th Floor, 365 Bay Street, Toronto, covering the sale to the Underwriter/Optionee of 80,000 new shares of the capital stock of the Company at \$1.25 per share or a total of \$100,000.00 payable forthwith upon the effective date and the granting of an option to purchase an additional 40,000 new shares at \$1.50 per share within three months of the effective date. This agreement is conditional upon this Filing Statement being accepted by the Toronto Stock Exchange and the issue of Supplementary Letters Patent giving effect to the reorganization of the Company's capital structure. The effective date is the later of these two conditions.</p> <p>(b) On the 23rd day of September, 1965, the Company granted to Mr. J.P. Jewell, its Mine Manager, an option to purchase 25,000 shares at 35¢ per share (10,000 shares at \$1.75 per share after reorganization) exercisable within 12 months, subject to his being in the employ of the Company at the time of exercise. The said option has been extended for a period of one year and may be exercised on the same terms and conditions up to September 23, 1967.</p>
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Mr. Irvele Harrington, the new President and a Director of the Company, is the only person having a greater than 5% interest in Harrington Investments Limited
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p>The Company intends to use the proceeds of the underwriting and option referred to in item 6. hereof -</p> <ol style="list-style-type: none"> 1. to purchase the equipment listed in the Report of Watts, Griffis & McQuat Limited dated September 20, 1966, which is filed herewith, totalling \$50,900; 2. to provide working capital in the amount of \$49,100 as set out in the said Report; 3. Moneys received in exercise of the options will be used either in repayment of bank loans or for additional working capital <p>The Company proposes to carry a line of credit with its Bankers in the amount of \$50,000 and such moneys as may be borrowed from the Bank from time to time, together with the \$75,000 to be received from the Chattel Mortgage referred to in item 5. hereof will be used in settlement of the Company's current accounts.</p>
10. Brief statement of company's chief development work during past year.	For a description of the Company's chief development work during the past year reference is made to the said Report of Watts, Griffis & McQuat dated September 20, 1966.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<p>By Agreement dated the 20th day of September, 1966, the Company has agreed to purchase from Mill Processors Limited, 955 Millwood Road, Toronto, the Mill which has been erected on the Company's property at Godfrey Township in the Province of Ontario, for a total price of \$250,000.00 (after adjusting inter-company accounts), to be fully satisfied by the issue to Mill Processors Limited of 200,000 new shares of the capital stock of the Company. The said sum of \$250,000.00 represents the cost to Mill Processors Limited of the said Mill. Of the said 200,000 new shares, 45,000 are to be free of escrow and are to be sold by W. D. Latimer Co. Limited, on behalf of Mill Processors Limited, after the sale of the underwritten shares referred to in item 6 hereof, to net Mill Processors Limited the sum of \$60,000. with which to pay off existing indebtedness against the Mill. The balance of 155,000 new shares are to be placed in escrow with Eastern and Chartered Trust Company, subject to release only with the consent of the Toronto Stock Exchange.</p> <p>In addition, Mill Processors Limited is to receive an option exercisable within two years from the date of acceptance of this filing statement by the Toronto Stock Exchange, provided that the 155,000 shares referred to above have been released from escrow, to purchase an additional 100,000 new shares of the capital stock of the Company at \$1.25 per share.</p>
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	The shareholders of Mill Processors Limited are - Irvele Harrington 117 East 38th Street, Holland, Michigan, U.S.A., E.D. Hinch, 2 Milepost Place Toronto 17, Ontario, W. Fink, 112 Richview Avenue, Toronto 10, Ontario, and Maple Bay Copper Mines Limited, Suite 906, 357 Bay Street, Toronto 1, Ontario, a public company, whose shares are widely distributed.

FINANCIAL STATEMENTS

GENEX MINES LIMITED

(Incorporated under the laws of Ontario)

BALANCE SHEET AND PRO FORMA BALANCE SHEET AS AT AUGUST 31, 1966

ASSETS

CURRENT ASSETS

Cash
Accounts receivable
Concentrates on hand - at estimated realizable value

Balance sheet	Pro forma balance sheet
29,932	49,849
28,000	29,932
57,932	28,000
-----	107,781
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INVESTMENTS - AT COST

403,000 shares of Bidcop Mines Limited

293 293

PROPERTY, PLANT AND EQUIPMENT (GODFREY TOWNSHIP) - AT COST

Mining claims
Plant and equipment
Development expenditures

75,000	75,000
316,100	566,100
577,251	577,251
968,351	1,218,351
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DEFERRED ADMINISTRATIVE EXPENDITURES - AT COST, LESS AMOUNTS WRITTEN OFF

20,000 20,000

APPROVED ON BEHALF OF THE BOARD

DIRECTORS

David Harrington

LIABILITIES

CURRENT LIABILITIES

Bank overdraft
Bank loan - secured by bills of lading
Accounts payable and accrued expenses

Balance sheet	Pro forma balance sheet
36,114	-
191,314	50,000
227,428	-
-----	50,000
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LOANS PAYABLE TO ASSOCIATED COMPANIES

Bidcop Mines Limited
Maple Bay Copper Mines Limited
Vaughan Securities Limited

104,500	-
116,500	-
25,000	-
246,000	-
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CHattel MORTGAGE PAYABLE - SECURED BY MLL

473,428	125,000
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SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized -
Balance sheet -
6,000,000 shares with a par value of \$1 each
Pro forma balance sheet -
3,000,000 shares with a par value of \$1 each
Issued and fully paid -
Balance sheet -
5,062,001 shares
Pro forma balance sheet
1,472,400 shares

5,062,001	-
-	1,472,400

(DISCOUNT) OR PREMIUM ON SHARES

(4,137,589)	115,000
924,412	1,587,400

DEFICIT LESS CONTRIBUTED SURPLUS

351,264	-
573,148	-
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DEFICIT ARISING FROM REORGANIZATION

-	365,975
-----	1,221,425

\$1,046,576	\$1,346,425
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GENEX MINES LIMITED

STATEMENT OF DEFERRED EXPENDITURES FOR THE EIGHT MONTHS ENDED AUGUST 31, 1966

<u>BALANCE - DECEMBER 31, 1965</u>		999,289
<u>EXPENDITURES FOR THE PERIOD</u>		
Administrative	6,282	
Development - Godfrey Township, less recovery from sale of concentrates	259,772	
Sundry - Hess Township	<u>1,012</u>	<u>267,066</u>
		1,266,355

TRANSFERS AND WRITE-OFFS

Transfers to plant and equipment	291,100	
Amounts written off, per statement of deficit	<u>378,004</u>	<u>669,104</u>

BALANCE - AUGUST 31, 1966

Development, per balance sheet	577,251	
Administrative, per balance sheet	<u>20,000</u>	<u>\$597,251</u>

NOTES TO THE BALANCE SHEET AND PRO FORMA BALANCE SHEET AS AT AUGUST 31, 1966

1. The pro forma balance sheet as at August 31, 1966 gives effect to the following:
 - (a) The capital reorganization contemplated by the accompanying Filing Statement (inter alia, the issue of one new share for every five shares now outstanding);
 - (b) The sale of 80,000 new treasury shares for cash of \$100,000;
 - (c) The issue of 180,000 new treasury shares in full satisfaction of certain of the Company's obligations totalling \$224,777;
 - (d) The purchase of the mill now owned by Mill Processors Limited for 200,000 new treasury shares valued at \$250,000;
 - (e) The procurement of the following credit arrangements:
 - \$75,000 by a chattel mortgage on the said mill;
 - \$50,000 through bank credit, secured by railway bills of lading.
 - (f) The transfer to Bidcop Mines Limited of the Hess Township property in consideration of the forgiveness of the Company's indebtedness to Bidcop totalling \$73,500.
2. The following options to purchase treasury shares of the Company exist or are contemplated by the accompanying Filing Statement:

<u>Optionee</u>	<u>Number of new shares</u>	<u>Price</u>	<u>Terminal date</u>
J.P. Jewell	10,000	\$1.75	September 23, 1967
W.D. Latimer Co. Limited (proposed)	40,000	\$1.50	Three months from Effective Date

GENEX MINES LIMITED

STATEMENT OF SOURCE AND USE OF FUNDS FOR THE EIGHT MONTHS ENDED AUGUST 31, 1966

FUNDS WERE DERIVED FROM

Loans from associated companies -		
Bidcop Mines Limited	31,000	
Maple Bay Copper Mines Limited	116,500	
Vaughan Securities Limited	<u>25,000</u>	172,500
Sale of investments		13,225
Sale of treasury shares (200,000 at 40¢)	<u>80,000</u>	265,725

FUNDS WERE USED FOR

Development, construction and administrative expenditures		<u>267,066</u>
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INCREASE IN WORKING CAPITAL DEFICIENCY \$ 1,341

	<u>December</u> <u>31, 1965</u>	<u>August</u> <u>31, 1966</u>
<u>CURRENT LIABILITIES</u>	168,155	227,428
<u>CURRENT ASSETS</u>	<u>-</u>	<u>57,932</u>
<u>WORKING CAPITAL DEFICIENCY</u>	<u>\$168,155</u>	<u>\$169,496</u>
<u>INCREASE IN WORKING CAPITAL DEFICIENCY</u>		<u>\$ 1,341</u>

STATEMENT OF DEFICIT LESS CONTRIBUTED SURPLUS FOR THE EIGHT MONTHS ENDED AUGUST 31, 1966

DEFICIT - DECEMBER 31, 1965 382,389

Amounts written off -

	<u>Deferred</u> <u>expenditures</u>	<u>Cost of</u> <u>mining</u> <u>properties</u>	
Hess Township	200,732	170,404	
Dufresnay Township	22,415	10,040	
Administrative expenditures	<u>154,857</u>	<u>-</u>	
	<u>378,004</u>	<u>180,444</u>	<u>558,448</u>

DEFICIT - AUGUST 31, 1966 940,837

CONTRIBUTED SURPLUS - AUGUST 31, 1966 (UNCHANGED FROM DECEMBER 31, 1965) 589,573

DEFICIT LESS CONTRIBUTED SURPLUS - AUGUST 31, 1966 \$351,264

GENEX MINES LIMITED

PRO FORMA STATEMENT OF SOURCE AND USE OF FUNDS AS AT AUGUST 31, 1966

FUNDS ARE TO BE DERIVED FROM

			\$
Capitalization of accounts payable			52,277
Chattel mortgage on mill			75,000
Sale of treasury shares (80,000 at \$1.25)			<u>100,000</u>
<u>INCREASE IN WORKING CAPITAL</u>			<u>227,277</u>
	<u>Actual</u>	<u>Pro forma</u>	
<u>CURRENT ASSETS</u>	57,932	107,781	
<u>CURRENT LIABILITIES</u>	227,428	<u>50,000</u>	
<u>WORKING CAPITAL</u>	\$(169,496)	<u>\$ 57,781</u>	
<u>INCREASE IN WORKING CAPITAL</u>			<u>227,277</u>

STATEMENT OF DEFICIT ARISING FROM REORGANIZATION AS AT AUGUST 31, 1966

<u>DEFICIT LESS CONTRIBUTED SURPLUS - AUGUST 31, 1966</u>		351,264
Excess of par value of new shares over book value of shares previously issued and fully paid	87,988	
Excess of consideration attributed to 180,000 new shares over aggregate of obligations settled thereby (\$224,777)	<u>223</u>	<u>88,211</u>
		439,475
Forgiveness of indebtedness to Bidcop Mines Limited		<u>73,500</u>
<u>DEFICIT ARISING FROM REORGANIZATION - AUGUST 31, 1966</u>		<u>\$365,975</u>

CREDITORS TO BE PAID THROUGH THE ISSUE OF TREASURY SHARES

Bidcop Mines Limited	31,000
Maple Bay Copper Mines Limited	116,500
Triangle Equipment Co. (Timmins) Ltd.	32,277
Vaughan Securities Limited	25,000
Renfree Equipment Limited	<u>20,000</u>
	<u>\$224,777</u>

ENGINEER'S REPORT

NOTE: The following are excerpts from a report by J.A. Bates, P.Eng., of Watts, Griffis and McQuat Limited, dated September 21st, 1966, on mining claims located in Godfrey Township, Timmins, Ontario. A complete copy of this report is on file with the Toronto Stock Exchange.

INTRODUCTION

This report is made at the request of the directors of Genex, to report on the operations at its property in Godfrey Township, Timmins, Ontario.

Although our examination has been necessarily brief, we have come to certain definite conclusions, which we submit with recommendations.

SUMMARY

In calculating the ore reserves of the Genex deposit, reference has been made to interpretations of diamond drilling as reported in 1959 by D. S. Robertson, in 1962 by J. P. Sheridan, and recent surface and underground drilling by Genex. This information has been augmented by wall, back and muck samples from the drifts, and muck samples from taking down backs in the "H" and "C" orebodies on the 125-foot level, as recorded by Genex.

The "H" zone is outlined on the 125-foot level where the drift has been slashed to the contacts and taking down backs is completed. Drilling from surface, as reported by Sheridan, indicates that this orebody extends to surface. Grade from surface diamond drill intersections is borne out in the muck samples from the 125-foot level. From the correlation of this information, it appears that a pipe of brecciated rhyolite is the host rock for chalcopryite deposition. The extent of this ore structure below the 125-foot level has not been investigated by underground work. Indicated ore reserves in this zone are 69,000 tons of 2.80% copper. A raise to surface and ring drilling from the 125-foot level using a diamond drill are required to confirm grade and tonnage.

The "C" orebody occurs in an andesite host rock with disseminated to massive sulphides consisting of sphalerite, pyrite and chalcopryite. The ore zone extends over a length of 187 feet and ranges from 20 feet to 30 feet wide at the 125-foot level. The wider end of this has been slashed to the contacts, and box hole raising is in progress on the remainder. Surface diamond drilling done in 1959 and reported by D. Robertson indicated that the widths at the 125-foot level continue to surface, with reasonably consistent grade. Detailed information and survey data on these holes is not available, making it difficult to correlate this drilling with the underground work and to verify grade and tonnage. A raise from the 125-foot level to surface does verify the continuity of this orebody to surface. Based on the detailed work at the 125-foot level, and giving a limited interpretation to the diamond drilling, a tonnage of 66,000 tons of 2.12% copper is indicated.

Drifting on the 250-foot level does not intersect the "C" orebody, although diamond drill holes shown on a Genex section drawing show ore extending to within 40 feet above the level. Additional diamond drilling is needed to outline the bottom of this orebody or alternatively, establish if it does continue below the 250-foot level, with a plunge to the southwest.

Ore grade intersections have been intersected on the "A" zone, both from surface drilling, and drifting on the 125-foot level. At this time it has not been possible to correlate these intersections, and outline a lense of ore that could be mined, and no indicated tonnage can yet be estimated in the "A" zone.

What appears to be a pipe-like structure of similar grade and horizontal dimensions to the "H" orebody has been intersected on the 250-foot level. This ore is about 140 feet south of the "H" zone on the 125-foot level and could be a continuation of the "H" zone, displaced by an intervening diabase dyke, or could be a new lense, unrelated to the "H" orebody.

At this time, only the "H" and "C" orebodies are included in the indicated reserves. There is an excellent chance of indicating additional ore in the following areas:

1. The area southwest of the "H" zone, presently with ore grade intersections on the 250-foot level.
2. The "A" zone from surface to the 250-foot level.
3. The projection of the indicated orebodies below the 250-foot level.

It is proposed that a production rate of 200 tons per day be established as quickly as possible at a grade which will show a profit on operations, contingent on sufficient funds being made available to buy the necessary additional equipment, and pay day-to-day expenses.

As soon as compressed air is available to operate a diamond drill underground, an underground diamond drilling program should be initiated to prove and to increase the indicated reserves.

CONCLUSIONS

1. Although the operation of the concentrator and surface plant has been plagued with break-downs over the past several months, the plant is in reasonably good operating condition for treatment of 200 tons a day. Minor additions are required.
2. The shaft and hoisting capacity are adequate for a production rate of 200 tons a day. Some additional mining equipment is needed.
3. Production and treatment of 200 tons of ore per day should be possible within slightly over one month.
4. Based on our study of the mine and plant, and considering the contract for custom milling the ore and for the sale of concentrates, the company will require \$96,000 per month for operating expenses during the first year of operation. The operating costs include adequate allowance to further explore the property.
5. Mine management must have available a total of \$100,000 for immediate operating and capital expenditures. This cash requirement is exclusive of any presently incurred debt, and is made up of the following:

Capital Items

Mine - 7 jack-leg drills at 1,100	\$ 7,700
Mine Cars - 12 at 300	3,600
2 Tuggers and 1 Slusher	2,900
Plant - 1 compressor	15,000
- spare pump for water	1,500
- insulate water line	1,700
- ventilation and dust collection	1,500
- tailings disposal control	2,000
- office	3,500
- dry	6,000
- heating	5,000
- miscellaneous	500
Sub-Total	\$50,900

Operating

2 weeks of estimated normal operating costs (approx.) \$ 49,100

Total \$100,000

6. Although much information is not now available, we have concluded that the presently indicated ore reserves are:

"C" zone -	66,000 short tons grading 2.12% Copper
"H" zone -	69,000 short tons grading 2.80% Copper
Total	<u>135,000</u> short tons grading 2.47% Copper

7. At the present price for copper the above reserves are sufficient for two years of profitable operation.

8. We have considered that the minimum profitable operation should pay all operating costs, the fee on processing ores, and net \$100,000 a year to the company. With this as the "floor" below which operations should not be continued, we have calculated the minimum grade at which profitable operation is possible in a declining market for copper.

<u>Price of Copper</u>	<u>Minimum Profitable Grade</u>
53¢ Cdn/lb.	2.34% Cu
45¢	2.91
40¢	3.42

9. Underground work at the mine has not fully assessed ore possibilities in the presently known areas, and the chances for new ore or extensions are considered good. In addition to this, we believe that certain indications at surface or geophysical anomalies require further testing.

10. Mine and plant records are not being kept up-to-date and a better system should be enforced.

11. The present life-of-mine contract for concentrate sales is not particularly favourable to Genex and negotiations for a more attractive contract should be initiated.

RECOMMENDATIONS

1. Subject to the availability of the required funds for operations (\$100,000), we recommend that the Genex operation be continued.

2. The plant should be thoroughly examined by a competent master mechanic, who may be able to assist the mine staff in arriving at a smoother operation.

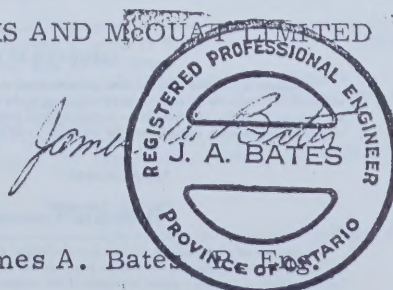
3. The capital expenditures outlined in the first section of the report should be undertaken as soon as possible.

4. In order to set up better records, a clerk should be hired for duty at the mine.

5. The concentrate sales agreement should be re-negotiated.

Respectfully submitted,

WATTS, GRIFFIS AND McQUINN LIMITED



Toronto, Ontario
September 21, 1966

James A. Bates

13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	350,000 (70,000 after re-organization) are held in escrow by Eastern & Chartered Trust Company, subject to release only on consent of the Toronto Stock Exchange. Following the purchase of the Mill from Mill Processors Limited as set out in item 11 above an additional 155,000 new shares will be placed in escrow as described herein. In accordance with the provisions of item 20 hereof a further 163,622 new shares will be placed in escrow in accordance with arrangements to settle certain outstanding accounts described therein.																				
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	<p>W. J. Lawson & Company, 15½ King Street West, Toronto, owns 350,000 escrowed shares (70,000 after reorganization) and following reorganization and completion of the transactions referred to in items 11 and 20. hereof the following will own the number of escrowed shares set opposite their respective names -</p> <table><tr><td>Mill Processors Limited, 955 Millwood Rd. Toronto</td><td>155,000</td></tr><tr><td>Triangle Equipment Co. (Timmins) Ltd. Timmins.</td><td>25,822</td></tr><tr><td>Bidcop Mines Limited, 906, 357 Bay St. Toronto</td><td>24,800</td></tr><tr><td>Maple Bay Copper Mines Ltd. 906, 357 Bay St. Toronto</td><td>93,000</td></tr><tr><td>Vaughan Securities Ltd. 15½ King St. W. Toronto</td><td>20,000</td></tr></table>			Mill Processors Limited, 955 Millwood Rd. Toronto	155,000	Triangle Equipment Co. (Timmins) Ltd. Timmins.	25,822	Bidcop Mines Limited, 906, 357 Bay St. Toronto	24,800	Maple Bay Copper Mines Ltd. 906, 357 Bay St. Toronto	93,000	Vaughan Securities Ltd. 15½ King St. W. Toronto	20,000								
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Maple Bay Copper Mines Ltd. 906, 357 Bay St. Toronto	93,000																				
Vaughan Securities Ltd. 15½ King St. W. Toronto	20,000																				
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table><tr><td>Goodwin Harris and Company Limited 347, Bay St. Toronto</td><td>699,950</td></tr><tr><td>W.J. Lawson & Co. 15½ King St. W. Toronto</td><td>(350,000(escrow) (106,500(free)</td></tr><tr><td>Maple Bay Copper Mines Limited, Suite 906, 357 Bay Street, Toronto.</td><td>350,000</td></tr><tr><td>J.C.L. Allen Ltd. 112 King St. W. Toronto</td><td>287,300</td></tr><tr><td>Doherty Roadhouse & McGuig Bros. 335 Bay Street, Toronto</td><td>179,400</td></tr></table> <p>Maple Bay Copper Mines Limited is the beneficial owner of the shares registered in its name. The shares in the name of W.J. Lawson & Co. are beneficially owned by Mr. W.J. Lawson, the former President of the Company. Mr. Irvele Harrington, the new President and a Director of the Company, is the beneficial owner of in excess of 600,000 shares of the capital stock of the Company which he has purchased in the market for cash. The Company has no knowledge as to the beneficial ownership of the shares referred to above.</p>			Goodwin Harris and Company Limited 347, Bay St. Toronto	699,950	W.J. Lawson & Co. 15½ King St. W. Toronto	(350,000(escrow) (106,500(free)	Maple Bay Copper Mines Limited, Suite 906, 357 Bay Street, Toronto.	350,000	J.C.L. Allen Ltd. 112 King St. W. Toronto	287,300	Doherty Roadhouse & McGuig Bros. 335 Bay Street, Toronto	179,400								
Goodwin Harris and Company Limited 347, Bay St. Toronto	699,950																				
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J.C.L. Allen Ltd. 112 King St. W. Toronto	287,300																				
Doherty Roadhouse & McGuig Bros. 335 Bay Street, Toronto	179,400																				
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No person has shareholdings sufficient to effect control of the Company but Mr. Irvele Harrington, aforesaid, by reason of his ownership of 600,000 shares (120,000 after re-organization) and his control of the Board of Directors of the Company, if able to obtain proxies from the larger shareholders, is in a position to affect control of the Company.																				
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<p>403,000 shares of Bidcop Mines Limited (313,000 free and 90,000 pooled)</p> <table><tr><td>Book Value</td><td>Market Value</td></tr><tr><td>\$292.95</td><td>\$20,345.00</td></tr></table>			Book Value	Market Value	\$292.95	\$20,345.00														
Book Value	Market Value																				
\$292.95	\$20,345.00																				
18. Brief statement of any lawsuits pending or in process against company or its properties.	None																				
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	<p>(a) The Company has entered into an agreement under date of February 2, 1966, with C. Tennant, Sons & Co. of New York, 100 Park Avenue, New York, (hereinafter called "the Purchaser") for the sale to the Purchaser of the entire production of copper concentrates from the Company's property at Godfrey Township, Ontario, from commencement of production through the life of the Mine and the Purchaser has agreed to pay for metal content as follows:</p> <p>Copper: Deduct 20 pounds per ton and pay for the remainder at 50% of the London Metal Exchange price for Copper Cathodes (three months), mean of Buyers and Sellers, averaged for the quotational period and 50% of the E & M Metals & Mineral Markets price for Export Refinery Copper, averaged for the quotational period.</p> <p>From the above composite price, a deduction of 11.25¢ per pound of payable copper shall be made.</p> <p>Silver: Deduct one ounce per ton and pay for 90% of the remainder at \$1.28 per ounce.</p> <p>Gold : Deduct 0.03 ounces per ton and pay for 90% of the remainder at \$31.8125 per ounce.</p> <p>(b) By resolution of the Board of Directors passed on September 19, 1966, the firm of Watts, Griffis & McQuat, 159 Bay Street, Toronto, were retained as Mining Consultants to the Company at a fee to be agreed upon by the Board. It is estimated that during the first month such fees will total \$8,500, for the second month \$4,500 and thereafter at the rate of \$1,500 per month.</p> <p>(c) By memorandum of agreement dated the 20th day of September, 1966, the Company agreed to transfer to Bidcop Mines Limited, Suite 906, 357 Bay Street, Toronto, its property situate at Hess Township in the Province of Ontario, in consideration of the forgiveness by Bidcop Mines Limited of the Company's indebtedness to it in the amount of \$73,500.</p>																				
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>Renfree Equipment Limited, 1075 McKeown Ave. North Bay, Ontario; Triangle Equipment Co. (Timmins) Ltd., P.O.Box 982, Timmins, Ontario; Bidcop Mines Limited and Maple Bay Copper Mines Limited, both of Suite 906, 357 Bay Street, Toronto, and Vaughan Securities Limited 15½ King Street West, Toronto; to whom the Company is indebted in a total amount of \$224,777.41 have agreed to accept shares, pro rata, for the amount of the Company's indebtedness to each of them at the rate of \$1.25 per share.</p> <p>Only the shares being issued to Renfree Equipment Limited will be free of escrow. The remaining new shares will be placed in escrow subject to release only with the written consent of the Toronto Stock Exchange.</p> <p>New shares will be issued to the above creditors as follows:</p> <table><tr><th>Name</th><th>Amount</th><th>No. of Shares</th></tr><tr><td>Renfree Equipment Limited</td><td>\$20,000.00</td><td>15,000 free</td></tr><tr><td>Triangle Equipment Co. (Timmins) Ltd.</td><td>32,277.41</td><td>25,822 escrow</td></tr><tr><td>Bidcop Mines Limited</td><td>24,000.00</td><td>24,800 escrow</td></tr><tr><td>Maple Bay Copper Mines Ltd.</td><td>116,500.00</td><td>93,000 escrow</td></tr><tr><td>Vaughan Securities Ltd.</td><td>25,000.00</td><td>20,000 escrow</td></tr></table> <p>No shares of the Company are at present in the course of primary distribution to the public. However, when the underwritten shares are taken up and the 45,000 free shares are issued to Mill Processors Limited as set out in item 11 hereof, the shares of the Company will then be in primary distribution to the public.</p> <p>There are no other material facts.</p>			Name	Amount	No. of Shares	Renfree Equipment Limited	\$20,000.00	15,000 free	Triangle Equipment Co. (Timmins) Ltd.	32,277.41	25,822 escrow	Bidcop Mines Limited	24,000.00	24,800 escrow	Maple Bay Copper Mines Ltd.	116,500.00	93,000 escrow	Vaughan Securities Ltd.	25,000.00	20,000 escrow
Name	Amount	No. of Shares																			
Renfree Equipment Limited	\$20,000.00	15,000 free																			
Triangle Equipment Co. (Timmins) Ltd.	32,277.41	25,822 escrow																			
Bidcop Mines Limited	24,000.00	24,800 escrow																			
Maple Bay Copper Mines Ltd.	116,500.00	93,000 escrow																			
Vaughan Securities Ltd.	25,000.00	20,000 escrow																			

DATED September 20, 1966

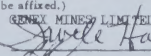
CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"I. Harrington"

"B.E.W. Gransden"

CERTIFICATE OF UNDERWRITER OR OPTIONEE


 Irvele Harrington
 Director

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

W. D. LATIMER CO. LIMITED

"W.D. Latimer"

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1430.
FILED, APRIL 28th, 1966.

GENEX MINES LIMITED

Full corporate name of Company

Incorporated under The Companies Act (Ont.) by Letters Patent dated Mar. 10, 1949
Particulars of incorporation (e.g., incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT Reference is made to previous Filing Statement No. 1221.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Underwriting and Option on treasury shares (See Item 6)	
2. Head office address and any other office address.	Suite 906, 357 Bay Street, Toronto 1, Ontario	
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>President & Director W. J. Lawson, Maple, Ontario, Broker</p> <p>Vice-Pres. & Director E. D. Hinch, 2 Milepost Place, Toronto 17, Ontario. Office Manager</p> <p>Secretary-Treasurer W. M. Macintosh, 5 Campbell Cres. Willowdale, Ontario, Solicitor.</p> <p>Asst. Sec. Treasurer S. H. Warren, 375 Brunswick Ave. Toronto, Ontario. Accountant.</p> <p>Director A. H. Blackburn, 23 Latham Ave. Toronto, Ontario. Retired.</p> <p>Director Irvele Harrington, 117 East 38th St. Holland, Michigan, U.S.A. Mining Executive.</p> <p>Director A. B. Whitelaw, 11 Yorkleigh Ave. Weston, Ontario, Solicitor.</p>	
4. Share capitalization showing authorized and issued and outstanding capital.	<p>Authorized: 6,000,000 shares with a par value of \$1.00 each</p> <p>Issued and Outstanding: 4,862,001 shares, as fully paid and non-assessable.</p>	
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Nil	
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>(a) By an Agreement dated the 18th day of April, 1966, subject to acceptance by the Toronto Stock Exchange, Goodwin Harris and Company Limited, 347 Bay Street, Toronto, on behalf of its Client, Gransden Enterprises Limited, Suite 1100, 365 Bay Street, Toronto, agreed to purchase 200,000 shares of the capital stock of the Company at the price of 40¢ per share; payable forthwith upon acceptance of a Filing Statement by the Toronto Stock Exchange, and was granted an option to purchase an additional 100,000 shares at 45¢ per share within three months of the effective date.</p> <p>In the event that such acceptance is not obtained within fifteen days from April 15, 1966, the said agreement will be null and void.</p> <p>(b) By agreement dated December 8, 1965 made between the Company and Bidcop Mines Limited, 357 Bay Street, Toronto, Bidcop Mines Limited advanced to the Company the sum of \$25,000 cash bearing interest at the rate of 6% per annum and repayable within ten months, commencing May 1, 1967. The said sum was advanced to the Company by way of a production loan. In consideration for providing the said sum of \$25,000 the Company granted to Bidcop an option to purchase 50,000 shares of its capital stock at 35¢ per share exercisable up to and including March 1, 1967.</p> <p>By agreement dated December 16, 1965 made between the Company and Maple Bay Copper Mines Limited, 357 Bay Street, Toronto, Maple Bay advanced to the Company the sum of \$25,000 in cash on the same terms and conditions as the Bidcop loan and obtained a similar option to purchase shares of the Company, namely, 50,000 shares at 35¢ per share exercisable up to and including March 1, 1967.</p> <p>By agreement dated December 16, 1965 made between the Company and Vaughan Securities Limited 15, King Street West, Toronto (a company controlled by W. J. Lawson, aforesaid) Vaughan Securities Limited advanced to the Company the sum of \$25,000 cash, interest free. Repayment of this loan will be subject to the repayment of the Bidcop and Maple Bay loans referred to above.</p> <p>On the 23rd day of September, 1965, the Company granted to Mr. J. P. Jewell, its Mine Manager, an option to purchase 25,000 shares at 35¢ per share, exercisable within 12 months, subject to his being in the employ of the Company at time of exercise.</p>	
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	<p>The only persons having a greater than 5% interest in Gransden Enterprises Limited are as follows:</p> <p>Bryan Swart Watts Gransden, 97 Malmsley Blvd. Toronto 7.</p> <p>Ruth Gransden, 97 Malmsley Blvd. Toronto 7. (Wife of the said Bryan Swart Watts Gransden.)</p> <p>Xenia Gransden, 27 Heath Street, West, Toronto 7.</p> <p>Samuel Matthew Arcus, 123 Ridge Road, Durban, South Africa.</p>	
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No	

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9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company intends to use the proceeds of the underwriting and option agreement to pay its creditors in the amount of approximately \$40,000 and to proceed with the development of ore for the purpose of placing its Mine in production. Any moneys not required for the continuation of the underground programme will be used as working capital. Reference is made to para. 19. hereof for details of the milling contract with Mill Processors Limited.																														
10. Brief statement of company's chief development work during past year.	During the period January, 1965 to April, 1966 the Company carried out the following work on its Godfrey Township property District of Cochrane, Province of Ontario - Sunk a shaft to a depth of 277 feet; completed a total of 2,524 feet of drifting and X-Cutting; and completed a total of 5,340 feet of drilling, all as more particularly set out in the summary of underground development by Mr. J. P. Jewell, Mining Geologist, dated April 15, 1966, which is filed herewith. As a result of the said work approximately 3,400 tons of ore have been stockpiled on surface for mill feed.																														
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable																														
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable																														
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	600,000 shares are held in escrow by the Eastern & Chartered Trust Company subject to release on consent of the Toronto Stock Exchange.																														
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	W. J. Lawson & Company, 15½ King Street West, Toronto owns 450,000 escrowed shares and Maple Bay Copper Mines Limited 357 Bay Street, Toronto, owns 150,000 escrowed shares.																														
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table><tr><td>Goodwin Harris and Company Limited</td><td></td><td></td></tr><tr><td>347 Bay Street, Toronto</td><td>695,150</td><td>free</td></tr><tr><td>W. J. Lawson & Co.</td><td>7,500</td><td>free</td></tr><tr><td>15½ King Street West, Toronto</td><td>450,000</td><td>escrowed</td></tr><tr><td>Maple Bay Copper Mines Limited,</td><td>250,000</td><td>free</td></tr><tr><td>357 Bay Street, Toronto.</td><td>150,000</td><td>escrowed</td></tr><tr><td>J.C.L. Allen Limited,</td><td></td><td></td></tr><tr><td>112 King Street W. Toronto</td><td>311,800</td><td>free</td></tr><tr><td>James Richardson & Sons,</td><td></td><td></td></tr><tr><td>173 Portage Ave. E. Winnipeg.</td><td>174,573</td><td>free</td></tr></table> <p>Maple Bay Copper Mines Limited is the beneficial owner of the shares registered in its name. The shares in the name of W.J. Lawson & Co. are beneficially owned by Mr. W.J. Lawson aforesaid. The Company has no knowledge as to the beneficial ownership of shares registered in the names of the other shareholders mentioned above.</p>	Goodwin Harris and Company Limited			347 Bay Street, Toronto	695,150	free	W. J. Lawson & Co.	7,500	free	15½ King Street West, Toronto	450,000	escrowed	Maple Bay Copper Mines Limited,	250,000	free	357 Bay Street, Toronto.	150,000	escrowed	J.C.L. Allen Limited,			112 King Street W. Toronto	311,800	free	James Richardson & Sons,			173 Portage Ave. E. Winnipeg.	174,573	free
Goodwin Harris and Company Limited																															
347 Bay Street, Toronto	695,150	free																													
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112 King Street W. Toronto	311,800	free																													
James Richardson & Sons,																															
173 Portage Ave. E. Winnipeg.	174,573	free																													
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No person has shareholdings sufficient to effect control of the Company but Mr. W. J. Lawson, aforesaid, if able to obtain proxies from the larger shareholders, is in a position to affect control of the Company.																														
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	321,500 shares of Bidcop Mines Limited - <table><tr><td>Book value</td><td>\$ 7,899.62</td></tr><tr><td>Market Value</td><td>24,112.50</td></tr></table>	Book value	\$ 7,899.62	Market Value	24,112.50																										
Book value	\$ 7,899.62																														
Market Value	24,112.50																														
18. Brief statement of any lawsuits pending or in process against company or its properties.	Nil																														

FINANCIAL STATEMENTS

GENEX MINES LIMITED

(Incorporated under the laws of Ontario)

BALANCE SHEET

AS AT DECEMBER 31, 1965

ASSETS

Shares of another mining company - at cost less proceeds of sales	
Mining properties - at cost:	
Godfrey Township, Ontario, claims	\$ 75,000.00
Hess Township, Ontario, claims	170,404.03
Dufresnoy Township, Quebec, claims	10,040.00
	<u>255,444.03</u>
Buildings and equipment at Hess Township, property - at estimated current value (note 4)	25,000.00
Deferred expenditure:	
Exploration and development	
Godfrey Township claims	\$ 608,578.96
Hess Township claims	199,718.97
Dufresnoy Township claims	22,415.37
	<u>\$ 830,713.30</u>
Administration and general	168,575.46
	<u>999,288.76</u>

LIABILITIES

Current liabilities:	
Bank overdraft	\$ 13,518.10
Accounts payable and accrued liabilities	
Loan payable (note 2)	25,000.00
	<u>\$ 18,900.16</u>
Deferred loan payable (note 3)	124,255.27
	<u>25,000.00</u>
	<u>\$ 168,155.43</u>
	<u>73,500.00</u>
	<u>\$ 241,655.43</u>

SHAREHOLDERS EQUITY

Capital stock:	
Authorized: 6,000,000 shares of \$1.00 each	\$ 6,000,000.00
Issued and fully paid: 4,862,001 shares	\$ 4,862,001.00
Less: Discount thereon	<u>4,017,589.42</u>
	<u>\$ 844,411.58</u>
Contributed surplus	<u>589,572.55</u>
	<u>\$ 1,433,984.13</u>
Deficit	<u>382,388.67</u>
	<u>1,051,595.46</u>

\$ 1,293,250.89

The accompanying notes are an integral part of this statement.

Approved on behalf of the Board:

..... Director

..... Director

Auditors' Report to the Shareholders

We have examined the balance sheet of Genex Mines Limited as at December 31, 1965, and the statements of deficit, deferred expenditure and source and application of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above balance sheet and attached statements of deficit, deferred expenditure and source and application of funds present fairly the financial position of the Company as at December 31, 1965, and the results of its operations for the year ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, Canada,
April 13, 1966.

Chartered Accountants.

GENEX MINES LIMITED

NOTES TO FINANCIAL STATEMENT

DECEMBER 31, 1965

1. Capital Stock

During the year ended December 31, 1965, the Company issued 800,000 shares of capital stock for \$245,000.00 cash.

The Company has granted an option to an employee on 25,000 shares of capital stock at 35 cents per share exercisable on or before September 23, 1966 provided that he is employed by the Company at the date the option is exercised.

As consideration for making the loans referred to in note 2, the Company has granted options on a total of 100,000 shares of capital stock at 35 cents per share exercisable on or before March 1, 1967.

2. Loan Payable

This loan and a further loan of \$25,000.00 received after December 31, 1965, bear interest at 6% per annum and are each repayable out of production at the rate of \$2,500.00 per month commencing May 1, 1966.

3. Deferred Loan Payable

Repayment of this loan is to be made from 50% of the operating profit after commencement of production from the Company's Hess Township property.

4. Hess Township Buildings and Equipment

Mine buildings and equipment at the Geneva Lake property in Hess Township, Ontario have been carried at cost less the amounts received on sales of equipment. The value of the buildings and the remaining equipment has been estimated by the directors at \$25,000.00 and an amount of \$234,640.93 was written off to deficit account.

STATEMENT OF DEFERRED EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1965

Administration and general

Balance, December 31, 1964		\$ 158,599.39
Head office services	\$ 3,600.00	
Legal and audit fees	1,650.00	
Directors' fees	700.00	
Financing and share issue expense	1,819.21	
Meetings and reports	742.36	
Taxes	80.00	
Postage, stationery and supplies	223.69	
Travel	327.24	
General expense	<u>333.57</u>	<u>9,976.07</u>
Balance, December 31, 1965		<u>\$ 168,575.46</u>

STATEMENT OF DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1965

Balance, December 31, 1964	\$ 147,747.74
Add: Amount written off buildings and equipment at Hess Township claims	<u>234,640.93</u>
Balance, December 31, 1965	<u>\$ 382,388.67</u>

GENEX MINES LIMITED

STATEMENT OF DEFERRED EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1965

Exploration and development

Godfrey Township claims:		
Balance, December 31, 1964		\$ 152,989.46
Diamond drilling	\$ 10,449.28	
Contract shaft-sinking and underground development	124,094.86	
Wages	79,165.99	
Supplies	50,866.42	
Equipment rental	40,948.68	
Equipment and building materials	122,951.79	
Engineering fees, salaries and expenses	10,165.28	
Assaying	5,253.79	
Repairs and maintenance	6,871.99	
Road construction	4,655.71	
Surveying	844.39	
Compensation and insurance	2,668.87	
Travel	4,457.48	
General expense	<u>1,315.17</u>	
	\$ 464,709.70	
<u>Less: Government grants for road construction (including 1964)</u>	<u>9,120.20</u>	<u>455,589.50</u>
Balance, December 31, 1965		<u>\$ 608,578.96</u>
Hess Township claims:		
Balance, December 31, 1964		\$ 197,685.85
Caretakers wages	\$ 1,800.00	
Compensation and unemployment insurance	145.03	
Acreage taxes	<u>88.04</u>	<u>2,033.12</u>
Balance, December 31, 1965		<u>\$ 199,718.97</u>
Dufresnoy Township claims:		
Balance, December 31, 1964		\$ 22,200.37
Taxes and licenses		<u>215.00</u>
Balance, December 31, 1965		<u>\$ 22,415.37</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1965

Source:

Sale of 800,000 shares of capital stock \$ 245,000.00

Application:

Exploration and development expenditure:

Godfrey Township claims	\$ 455,589.50	
Hess Township claims	2,033.12	
Dufresnoy Township claims	<u>215.00</u>	\$ 457,837.62

Administration and general expenditure	<u>9,976.07</u>	<u>467,813.69</u>
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Balance representing the decrease in working capital as set out below:	\$ 222,813.69
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Working capital at December 31, 1964 consisting of:

Current assets:

Cash	\$ 27,091.05
Deposit with contractor	<u>33,455.00</u>

\$ 60,546.05

Less: Current liabilities

5,887.79

Working capital	\$ 54,658.26
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Working capital deficiency at December 31, 1965 consisting of current liabilities at that date	<u>168,155.43</u>	<u>\$ 222,813.69</u>
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GENEX MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE THREE MONTHS ENDED MARCH 31, 1966

Source:			
Loan received (note 2)		\$	25,000.00
Proceeds of sale of a portion of investment in shares of another mining company			12,265.16
		\$	37,265.16
Application:			
Exploration and development expenditure - Godfrey Township claims	\$	80,541.73	
Administration and general expenditure		1,202.70	81,744.43
Balance, representing the increase in the working capital deficiency as set out below:		\$	44,479.27
	March 31, 1966	December 31, 1965	
Current liabilities:			
Bank overdraft	\$	\$	18,900.16
Accounts payable	145,462.33		124,255.27
Loans payable (note 1)	67,500.00		25,000.00
	\$	\$	168,155.43
Current assets:			
Cash in bank	327.63		
Working capital deficiency	\$	\$	44,479.27

Notes: (1) These loans bear interest at 6% per annum and are repayable out of production at the rate of \$5,000.00 per month commencing May 1, 1966.

(2) This loan is repayable (without interest) out of production after repayment of the loans referred to in note 1 is completed.

Approved on behalf of the Board:

..... Director
..... Director

ENGINEER'S REPORT

DEVELOPMENT OF COPPER ORE DEPOSITS

GENEX MINES LIMITED

Godfrey Township Timmins, Ont.

ABSTRACT:

Results of a diamond drilling program on the Godfrey township copper property of Genex Mines Limited in 1964, compiled with results of previous exploration on the claim block by different management, indicated 519,000 tons of ore grading 1.95% copper to the 300-foot horizon. High-grade zones and widespread copper mineralization occurring in favourable geological formations, and structural conditions encountered in the drilling, indicated that further development of the property was definitely warranted. After careful deliberation it was decided that rather than pursuing a costly, and possibly inconclusive, program of deep diamond drilling, the most expedient method of further exploring the structure would be by underground development. It was believed essential that the direction of a program to determine the full potential of the structure at depth would be more ably guided by determining the significance of many of the diamond drilling intersections in mining operations. Underground development would also allow investigation of other areas of interest indicated by a geophysical survey and a limited amount of diamond drilling. These are areas removed from the main structure under development, but within vertical and lateral extent of the mine workings.

In the latter part of 1965, when the ore zones had been reached and partially opened up on the first level, an improvement in the price and future of the copper metal market was apparent, thus changing the economics of the Genex project. Therefore, in order to capitalize on the fortuitous economic situation and to provide funds for exploring the full potential of the property, consideration was given to the expediency of bringing the mine into production at this time. Subsequently an agreement was entered into with Mill Processors Limited by which that corporation would construct a mill on the Genex property with a 200-ton capacity and treat copper ore from the Genex mine, or any source available to Genex. The agreement provides for raising the capacity to 500 tons, and also contains a clause whereby Genex has an option to purchase the mill, after a certain period of time or a specified number of tons have been treated. A contract for sale of copper concentrates was also signed with Tenant and Company, New York ore agents.

The writer supervised the diamond drilling program conducted in 1964 and has been in charge of developments on the property since that time.

PURPOSE OF REPORT:

For the purpose of recording and filing progress of developments on the Genex property, this report is submitted to the Toronto Stock Exchange. It includes information contained in an interim report on Underground Development of Ore on the Genex Mines Limited property submitted to the Directors under date of December 6th, 1965. Also incorporated in this report is a schedule of mining costs for producing copper concentrates, which provides for further exploration of the ore zones and structures. Reference is made to a report recently submitted to the Exchange "Summary of Underground Development" which describes the entire underground development from January 1st, 1965 to April 15th, 1966.

Attached to this report is a copy of the milling contract between Genex and Mill Processors Limited, as well as a copy of the contract for sale of the copper concentrates entered into with Tenant and Company, New York.

INTERIM REPORT ON DEVELOPMENT, APRIL 1st - NOVEMBER 31st, 1965:

Summary:

The copper ore deposits being developed on the Genex property are associated with a structure of major importance and occur in rock formations particularly favourable to base metal ore bodies. The major structural feature is a shear zone striking in a north-west direction through the property, extending many miles north, localizing copper and zinc deposits on the Canadian Jamieson Mines, as well as the successful Kam-Kotia Porcupine Mines. The rocks contained within the property are andesite and rhyolite volcanics cut by diabase dikes. Intrusive rhyolites also occur cutting the earlier volcanics which vary in character, with pillowed, amygdaloidal, and massive types being the main units. Brecciated rhyolite in mineralized areas is quite usual.

Chloritization and silicification are the most common alterations of the volcanics and the most important, ore-wise.

While underground exploration to date has been somewhat limited, sufficient openings have been afforded to suggest that the ore grade will exceed the value indicated in the surface diamond drill borings. The potential of the structures localizing the deposits is also more apparent now, enhancing the possibilities of developing additional ore as deeper exploration progresses.

The underground exploration conducted thus far has aided in interpreting the significance of copper values obtained in diamond drilling areas removed from the main structure. Foremost of these is the "B" zone, an anomaly outlined in an "I.F." geophysical survey, lying approximately 400 feet west of the "C" ore body. Many interesting copper values were encountered in diamond drilling the zone, and it is proposed to investigate this area in future underground work. Another anomaly that will be further explored is located south-west of the "H" ore body.

Underground Development:

The purpose of the underground exploration is to verify 519,000 tons of copper ore, indicated and inferred to the 300-foot level, grading 1.95% copper.

Underground work to date has been mainly on the 125-foot level where the "H" and "C" bodies have been entered and partially opened up, and two ore "shoots" in the "A" zone have been encountered.

"H" Ore Zone: A drift along the north boundary of the "H" ore body returned muck samples averaging 5.48% copper for a length of 55 feet. A 600-pound representative sample from the muck material and from back slashing was sent to the Ontario Research Foundation for mill testing, and returned 5.27% copper. Diamond drilling into the south wall of the drift confirms a pipe-shaped body, plunging to the south-west. Two hundred and seventy tons of ore per vertical foot has been calculated from the exploration on the 125-foot level. Previous surface diamond drilling encountered the zone 80 feet above the level, while a recent boring on the 250-foot level appears to have encountered the zone west of the diabase dike at this horizon.

"C" Ore Zone: The north drive on the 125-foot level reached this ore body 620 feet north of the shaft cross cut. The zone appears much stronger with higher grade sections than was anticipated from results of previous diamond drilling. The zone occurs between chloritized pillowed andesite and massive type andesite, the contact marked by a heavy gouge slip. Exploration by diamond drill conducted in 1959 showed a grade of 1.50% copper in seven intersections over an average width of 27 feet, with a length of 125 feet on the first level. Underground exploration by drifting NW and SE on the ore has proven a length of 187 feet with muck samples assaying 4.67% copper and face samples returning 3.60% copper. Approximately 600 pounds of rejects from the drift material were sent to the Ontario Research Foundation for testing and the head sample assayed 4.07% copper. Sampling the north drive as it encountered the "C" zone returned 2.13% copper on the west wall over 45 feet, while the east wall ran 1.63% copper over the same width. Since the drift entered the ore body at an angle, the 45-foot width is not considered as true width. However, a drill hole 50 feet west, 20 feet below the first level, intersected 60 feet of ore, indicating bulges in the zone. Considering the width exposed by slashing the drifts, a volume of 374 tons per vertical foot can readily be calculated.

"A" Zone: This designation refers to the copper intersections encountered in surface diamond drilling lying between the two zones described above. It has been partially opened up on the 125-foot level, first in the shaft cross cut and later by the E. Drift north. The "A" zone is unlike the "C" and the "H" ore structures in that the alteration is mainly sericite with replacement of pyrite by zinc and copper minerals. The "A" shear encountered in the shaft X-cut has been followed for a length of approximately 80 feet with copper values in the 2.50% range. Several copper lenses were encountered in the E. Drift north which was driven to investigate the structure, and a short diamond

drill hole above the drift encountered 15 feet of copper mineralization, with the best section assaying 2.41% over 7.5'. Because of the zinc and silver content of this zone, further exploration of this structure is not proposed at this time, but undoubtedly, when full development of the zone is conducted, mineable widths of copper ore will be outlined.

Equipment:

Power is supplied with four 250 h.p. G.M. diesel generators, providing sufficient power for both the mine and mill. A 1,000 cu. ft. C.I.R. air compressor driven by a diesel motor has been installed. A four-foot electric, single drum, "Wild" hoist is in use. Necessary equipment for mining is in use, including trammers, mucking machines and tuggers. Diamond drilling is presently under contract to the Continental Diamond Drilling Company of Rouyn, Quebec.

Metallurgical Testing Results:

Approximately 1,700 pounds of representative material from the three zones described herein were shipped to the Ontario Research Foundation for milling tests. The "H" and the "C" zones were treated separately. Results proved that it is an excellent ore to concentrate. Copper was easily liberated at a comparatively coarse grind, 68% minus 200 mesh. The concentrate contained 23% copper, with a better than 90% recovery. It should be mentioned here that this is a rough concentrate, with no attempt to clean up the product. Further testing and experimentation will be conducted, with a good possibility of obtaining a premium product.

PROPOSED MINING OPERATION AND COSTS:

Initially, straight shrinking methods will be used for mining the ore bodies. As additional information of the deposits is obtained, other methods of recovering the ore may be found more practical. However, for the purpose of this report the mining costs are predicated on shrinkage methods. Milling costs are set forth in the agreement with the Milling Company at \$4.00 per ton, at the rate of 200 tons daily after the "break in" period has been completed. For the first milling year, rate of production from the Genex underground would reach this target, and it is proposed to augment the tonnage rate by processing ores from other properties. However, to cover any contingencies, the estimated cost of milling has been placed at \$5.10 per ton. Plans for an aggressive development program, which in the initial stage will consist mainly of diamond drilling and lateral development, will be provided for. Basing this program on the amount of development expended thus far in opening up the ore bodies on the 125-foot level, and increasing the amount of diamond drilling to provide for longer borings, it is estimated that \$10,000 monthly should be provided. This will allow approximately 180 feet of drifting and X-cutting, and 1,500 feet of diamond drilling every month.

Following are estimated costs for the first year of mining and concentrating:

Mining and milling	\$11.00 per ton
Development	2.00 " "
Plant write-offs	4.00 " "
<u>Total</u>	<u>\$17.00 per ton</u>

At the present price for concentrates as per contract agreement with the ore agents, Genex would meet the above costs by milling 150 tons daily, with a cut-off grade of 1.75% copper.

Development to date of deposits that will be the source of the first year's supply of mill feed indicates the following returns are more realistic:

150 tons of 3.2% copper or	64.00 lbs. copper per ton
93% recovery	59.52 lbs. copper per ton
Costs: Mining, milling, development and write-offs	\$17.00 per ton
Returns: 59.52 lbs. copper @ \$0.50 per lb.	29.76 per ton
<u>Profit</u>	<u>\$12.76 per ton</u>

On this performance the first year would show \$689,000.00 in excess of costs, with the plant equipment paid for, 2,160 feet of lateral development and 18,000 feet of diamond drilling completed towards development of the property.

Several factors should be considered when appraising the above potential returns from the operation:

1. Indications are that a higher copper content can reasonably be expected;
2. The concentrate considered herein is a comparatively rough product. Doubtless, as the milling operation advances, a better grade, possibly approaching a premium concentrate, can be obtained.
3. The precious metal content of the concentrate has not been considered. Silver and gold are known to exist and payment for such will be in full.
4. The possibility that a good percentage of the proposed development will be in mill-run ore is reasonably assured, lessening the cost of development.

5. A surface stock pile of better than the above estimated grade, containing approximately 3,400 tons of ore, is available with only the cost of handling to be considered.

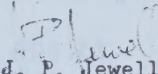
CONCLUSIONS:

The present economic situation in regard to world prices and projected demands for copper metal affords a propitious opportunity for Genex Mines Limited to exploit and develop its copper property in Godfrey township. Facilities for mining and an adequate supply of ore are on hand to economically produce copper concentrate and make available funds for an aggressive program of exploration to develop other areas and structures on the mining claims, and leave a good margin of profit.

As the operation advances and exploration and development progress, an increase in the returns will allow funds for enlarging the mining facilities. A large tonnage operation can readily be envisaged, assuming the exploration of ore zones responds as it has to date, and as anticipated.

Respectfully submitted,

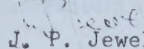
Toronto, Ontario,
April 23rd, 1966.


J. P. Jewell,
Mining Geologist.

C E R T I F I C A T E

I, J. P. Jewell, hereby certify and declare:

- (1) That I am a Mining Geologist residing at 82 Pine Crescent, Toronto, Ontario.
- (2) I am a graduate of the University of Michigan and have been practising my profession in Canada for over fifteen years.
- (3) I have no direct nor indirect interest in the property referred to in the accompanying report, nor do I expect to receive any such interest in the property.
- (4) I, at present, do not own any securities of Genex Mines Limited, but have been granted an option on Twenty-five Thousand (25,000) shares of stock by the Directors at a price of 35¢ a share. I expect to exercise this option by May 1st, 1966.
- (5) I supervised the diamond drilling and underground development on the Genex Mines property since May, 1964, and the accompanying report is based on this personal knowledge and from reports on exploration of the property by previous operators.


J. P. Jewell,
Mining Geologist.

82 Pine Crescent,
Toronto, Ontario,
April 23rd, 1966.

February 2, 1966

CONTRACT OC-P-1863

Between

GENEX MINES LIMITED, 357 Bay Street, Toronto, Canada (hereinafter called "Seller"),

and

C. TENNANT, SONS & CO., OF NEW YORK, 100 Park Avenue, New York, New York 10017, (hereinafter called the "Buyer")

Seller agrees to sell and Buyer agrees to buy in accordance with the terms and conditions set forth herein:

- 1) DEFINITIONS: "Ton" shall equal 2,000 pounds, net dry weight.
"Long ton" shall equal 2,240 pounds, net dry weight.
"Dollars and Cents" are quoted in U.S.A. currency.
- 2) QUANTITY & MATERIAL: Seller's entire production of copper concentrates, estimated at 600 to 900 tons per month, commencing early in 1966 and expected to assay as follows:

Cu	23.00% (minimum acceptable 20% Cu)		
Zn	0.88%	Pb	0.12%
Co	1.11%	Mn	0.07%
Bi	0.07%	Mo	Nil
Au	0.28 oz per ton	Fe	30.24%
Ag	3.00 oz per ton	TiO ₂	0.042%

The following penalties will be charged for impurities:

As: 50¢ per short dry ton for each 0.1% in excess of 0.2%
Sb: 50¢ per short dry ton for each 0.1% in excess of 0.2%
Bi: 50¢ per short dry ton for each 0.05% in excess of 0.1%

- 3) DURATION: This contract shall remain in force from commencement of production through the life of the mine, except that
 - a) Seller or Buyer may declare its intention to cancel this contract by written notice to the other and cancellation shall take place twelve months after such notice is received.
 - b) Should Seller cancel this contract, Buyer shall have the right to meet the terms of any bona fide offer by third parties for Seller's production. In other words, Buyer shall have first right of refusal.
- 4) DELIVERY: Shall be made FOB railcars, Timmins, Ontario, in minimum carload quantities, as produced.
- 5) PRICE: Buyer agrees to pay for metal contents as follows:

Copper: Deduct 20 pounds per ton and pay for the remainder at:

50% of the London Metal Exchange price for Copper Cathodes (three months), mean of Buyers and Sellers, averaged for the quotational period.

and

50% of the E&MJ Metals & Mineral Markets price for Export Refinery copper, averaged for the quotational period.

From the above composite price, a deduction of 11.25¢ per pound of payable copper shall be made.

A penalty of \$2.00 per ton of material shall be levied for each 1.0% by which copper content is less than 23%, down to the minimum acceptable figure of 20% Cu, fractions pro rata.

Silver: Deduct one ounce per ton and pay for 90% of the remainder at \$1.28 per ounce.

Gold: Deduct 0.03 ounces per ton and pay for 90% of the remainder at \$31.8125 per ounce.

Quotation Period: For overseas shipments shall be the month following month of loading onto steamer as evidenced by ocean bill of lading. For all rail movements to USA or Canadian destinations, the quotational period shall be the third month following rail shipment, as evidenced by rail bill of lading.

- 6) SETTLEMENT: A provisional payment of 75% of the estimated value of all shipments during each month shall be made to Seller on the 15th day of the following month against the following documents:

- a) Rail Bills of Lading consigned to Buyer or Buyer's customer, showing net weight shipped.
- b) Acceptable moisture and assay certificates.

Final settlement shall be made promptly when final weights and assays are known, as well as the applicable copper price. Should final settlement be delayed 90 days beyond the date of provisional payment, an additional provisional payment of 15% of estimated value shall be made.

- 7) WEIGHING, SAMPLING, MOISTURE DETERMINATION AND ASSAY: Shall be carried out at destination in the normal commercial way, with Seller having the right to be represented at these operations, costs for Seller's account. If Seller so requests, assays can be exchanged between Buyer and Seller, according to commercial practice, and the average of Buyer's and Seller's assays shall govern, unless the differences exceed:

0.50% in the case of Cu
0.5 ounces in the case of Ag
0.1 ounce in the case of Au
0.05% in the case of Bi
0.10% in the case of As
0.10% in the case of Sb

In case the differences exceed the above limits, an umpire analysis shall be performed by:

Walker & Whyte Inc.
165-9 Duane Street
New York, New York

whose charges will be borne by the party whose original findings deviated most from the umpire analysis.

- 8) MOISTURE CONTENT: Buyer shall not be obligated to accept material which, because of its moisture content, cannot be shipped, according to the regulations of the Maritime Division of Board of Transport of Canada. In case any material is tendered which is unacceptable for overseas shipment according to the above-mentioned regulations of the Board of Transport of Canada, Buyer and Seller will mutually agree on a price for the concentrates which will make possible their disposal in the domestic market.
- 9) FORCE MAJEURE: In the event of a force majeure condition preventing Seller from making delivery of acceptable copper concentrates, this contract shall be suspended during the period of inability, but Buyer shall have the right to cancel this contract if the force majeure condition continues beyond a period of 90 days. Conditions of force majeure to excuse either party from performance hereunder.
- 10) JURISDICTION AND SUCCESSION: This contract shall be subject to the laws of the State of New York and shall bind and inure to the benefit of the parties hereto, their legal representatives, successors and assigns.
- 11) LICENSES: Seller shall be responsible for obtaining a Canadian export license for material produced and Buyer shall not be obligated to pay for material which is not covered by an export license.

AGREED: GENEX MINES LIMITED

By: E. Hinch

E. Hinch

C. TENNANT, SONS & CO., OF NEW YORK

By: G. L. Norem

G. L. Norem, Assistant Vice President

19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.

(a) -

By an agreement dated November 16, 1965, made between Mill Processors Limited, 955 Millwood Road, Toronto (hereinafter called "the Processor") and the Company, the Processor agreed to instal, at its own expense, a concentrating plant on the Company's mining property in the Township of Godfrey, Porcupine Mining Division, Ontario, more particularly described as Parcels Numbered 7971, 7972, 11368-70, 9889 and 9890 in the Register for South East Cochrane. The said plant to have a minimum daily capacity of 200 tons of more and title to the said plant to remain vested in the Processor until such time as the Company purchases and pays for same/ Under the terms of the said agreement the Processor agrees to process only the ore provided by the Company from any property or source during the currency of the agreement; to construct the plant in such manner that the capacity could be increased to 500 tons per day. The Company agrees to supply ore to the plant at the rate of 200 tons per day and to pay the Processor for concentrating same, including delivery of concentrates f.o.b. Timmins, the sum of \$2.50 per ton and shall also pay the additional sum of \$1.50 per ton of ore (being a total of \$4.00 per ton of ore). Should the costs of concentrating be less than the said \$2.50 per ton the Company shall have the benefit of such lower cost figure in computing the amount of its payments. After the said plant has been in continuous operation for a period of five years or has reduced not less than 350,000 tons of ore (whichever is sooner) taken from any property or source, the Company shall have the right and option to purchase the said plant for the sum of \$250,000. Should the Processor default in its obligations to concentrate the volume of ore required by the agreement then the Company, after 15 days' notice to the Processor, shall have the right to assume the Processor's total operation and plant upon payment to the Processor of the purchase price referred to above, less any sum required to discharge liens and encumbrances (if any).

(b) The Company has entered into an agreement under date of February 2, 1966 with C. Tennant, Sons & Co. of New York, 100 Park Avenue, New York, (hereinafter called the "Purchaser") for the sale to the Purchaser of the entire production of copper concentrates from the Company's property at Godfrey Township, Ontario, from commencement of production through the life of the mine and the Purchaser has agreed to pay for metal content as follows:

Copper: Deduct 20 pounds per ton and pay for the remainder at 50% of the London Metal Exchange price for Copper Cathodes (three months), mean of Buyers and Sellers, averaged for the quotational period and 50% of the E & MJ Metals & Mineral Markets price for Export Refinery Copper, averaged for the quotational period.

From the above composite price, a deduction of 11.25¢ per pound of payable copper shall be made.

Silver: Deduct one ounce per ton and pay for 90% of the remainder at \$1.28 per ounce.

Gold: Deduct 0.03 ounces per ton and pay for 90% of the remainder at \$31.8125 per ounce.

20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.

No shares of the Company are at present in the course of primary distribution to the public. However, when the shares underwritten are taken up, the shares of the Company will then be in primary distribution to the public. There are no other material facts.

DATED April 19, 1966

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"E.D. Hinch"

"W.M. Macintosh"

CORPORATE
SEAL

Vice-Pres.

CERTIFICATE OF UNDERWRITER OR OPTIONEE Sec. Treas.

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

GOODWIN HARRIS AND COMPANY LIMITED

"A.G. White"

"M.A. Hudson"